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TROOP SUPPORT INFLATION PROGRAM: A COMPUTER PROGRAM
GENERATING HISTORICAL. (U) ARMY TROOP SUPPORT COMMAND
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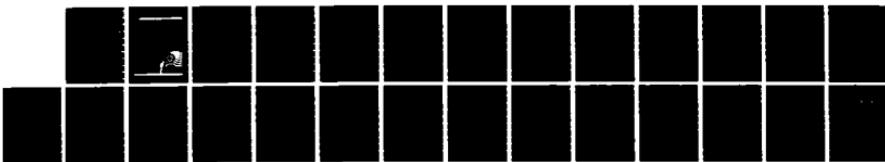
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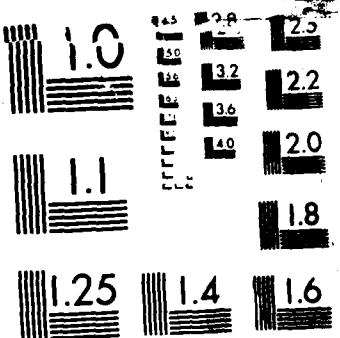
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COST MEMORANDUM

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TROOP SUPPORT INFLATION PROGRAM

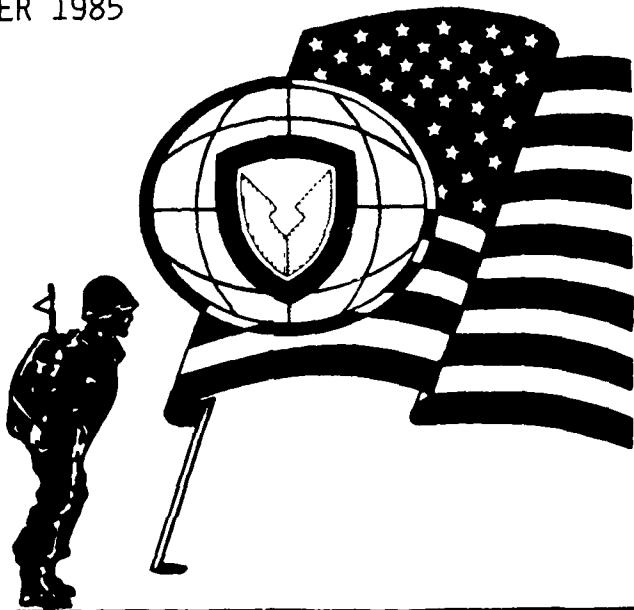
(A COMPUTER PROGRAM GENERATING HISTORICAL
INFLATION FACTORS FOR TROOP SUPPORT ITEMS)

WARREN H. GILLE, JR.

CYNTHIA R. PHILLIPS

DECEMBER 1985

U.S. ARMY TROOP SUPPORT
COMMAND (TROSCOM)
COMPTROLLER
COST ANALYSIS DIVISION
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20. ABSTRACT (Continue on reverse side if necessary and identify by block number) The historical inflation indices in this report have been developed for use in the adjustment of historical costs for U.S. Army troop support items. These troop support items are categorized by the Producer Price Index codes. These codes are developed by the Bureau of Labor Statistics which tracks goods and commodities at the wholesale level. The indices are broken out by month for each year and expressed as a fiscal year average and then as a fiscal year factor.		

COST MEMORANDUM

86-1

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TROOP SUPPORT INFLATION PROGRAM

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I. APPLICABILITY.

The inflation indices and factors in this report have been developed for use in the adjustment of historical costs for U.S. Army troop support items, and are covered under the Other Procurement, Army (OPA) appropriation. Due to the multiplicity of troop support items, the justification for the selection and use of any index not covered by the schedule listed in Section II of this document is the user's responsibility.

SECTION II

An Overview of Inflation Indices for Troop Support Work

II. AN OVERVIEW OF INFLATION INDICES FOR TROOP SUPPORT WORK.

A. Introduction.

Historical indices are a convenient device for translating the price of an item procured in the past to what the "replacement price" of the item would be today. Several questions, however, should be asked when using an index to update past procurement prices:

1. Is the item for which an updated price is to be calculated obsolete due to changes in technology? Theoretically, prices for WWII vintage equipment can be "updated." However, it should be obvious that this is not a reasonable procedure. To calculate the replacement price for obsolete equipment, a special cost study rather than the application of a numerical index, is required.

2. Is the item under consideration made of the same materials and by the same manufacturing process as when last procured? If the manufacturer has substituted nylon parts for metal parts without loss of performance, or now assembles or packages the item by machine and has significantly lowered his costs, the replacement price for the item could be lower than the index would indicate.

3. Are the conditions of the replacement procurement, if undertaken, identical to past procurement(s)? For instance, are the quantities to be purchased in the old and new procurements similar?

4. Is the index appropriate for use with the item at hand? An index is developed by tracking price changes for a group of items over time. Whether or not a specific index is used for an item depends on whether the item belongs to that group being indexed, and whether it receives adequate representation in the group. For example, aluminum metal items are not accurately tracked using Code 10, Metals and Metal Products, which experienced an inflation rate of 3.7% for FY 84. Rather Code 10-2, Non-Ferrous Metals, is more appropriate because it contains numerous aluminum shapes, forgings, and semi-finished items. Aluminum items have experienced more rapid cost growth than the general group of metal items. Non-ferrous Metals averaged an 6.4% increase in FY 84, as compared to the 3.7% overall average for Metals and Metal Products.

B. Source of Data and Explanation of Codes:

The data used to produce the fiscal year historical inflation indices is supplied by the Kansas City Regional Office, Bureau of Labor Statistics, U.S. Department of Labor. The term PPI code is merely an abbreviation for Producer Price Index code, formerly called the Wholesale Price Index code. The name was changed because raw materials and semi-finished goods are included in the index, not just finished goods at the wholesale level. Producer Price Index codes are two to eight digits in length. The more digits a code has, the more narrowly defined the index is. For example:

PPI Code 11 is Machinery and Equipment

----a subcategory of Code 11 is:

PPI Code 11-7, Electrical Machinery and Equipment

----a further refinement is:

PPI Code 11-73, Motors, Generators, and Motor Generator Sets

----a subcategory of this is:

PPI Code 11-7302, Generators and Generator Sets

---- and a final subcategory of this subcategory is:

PPI Code 11-730224, Generator, A.C. 30 Kilowatt

---- which is a single, well defined item.

Because a single PPI code may be used to track a number of similar items, most codes used for troop support work are two, three, or at most four digit codes. A list of the general two digit codes in the Producer's Price Index is presented below. The fifteen PPI codes cover the majority of the items produced and consumed by the U.S. economy.

PRODUCER PRICE INDEX CODES AT THE AGGREGATE LEVEL.

<u>PPI CODE</u>	<u>TITLE</u>
01	Farm Products
02	Processed Foods and Feeds
03	Textile Products and Apparel
04	Hides, Skins, and related Products
05	Fuel and Related Products and Power
06	Chemicals and Allied Products
07	Rubber and Plastic Products
08	Lumber and Wood Products
09	Pulp, Paper, and Allied Products
10	Metals and Metal Products
11	Machinery and Equipment
12	Furniture and Household Durables
13	Non-metallic Mineral Products
14	Transportation Equipment
15	Miscellaneous Products

A list of Producer Price Index codes and the troop support items with which they have been traditionally associated with at TROSCOM is included in Section III of this document.

C. Producer Price Indices used in Troop Support Work.

From a review of documents which span the past 15 years, it was determined that as many as 103 Producer Price Index codes were considered for and/or used in troop support work. A number of these indices were used for Economic Price Adjustment (EPA) contracts, in which contractual obligations are adjusted according to the movement of specialized price indices written into the procurement contract. Most of the remainder are two, three, and four digit codes, similar to those listed in Section III currently used for troop support items.

In order to make updating past prices a manageable exercise, the number of inflation indices had to be reduced significantly. In the early 1970's the set of 103 was reduced to ten, nine specific and one general. These indices are listed on p. 8, and follow on pp. 9-18.

The indexing technique used is called indexing by similarity. Most troop support items have some similar counterpart in private industry. Army heating and air conditioning equipment, compressors, and generators, for example, are similar in nature to commercial equipment. Often a manufacturer may make both military and commercial equipment at the same location. Due to the thousands of troop support items purchased over the years, the most similar index from the basic set of ten Producer Price Indices (PPI's) is used as a proxy.

D. Output Generated by the Computer Program:

Data provided by the Bureau of Labor Statistics is in monthly, calendar year format. The computer program does the following:

(1) Rearranges and prints the monthly index in fiscal year format, including FY 76/7T, as prescribed by Higher Headquarters.

(2) Computes and prints fiscal year averages for the indices, with calendar year 1967 as base year.

(3) Inverts the index, computes, and prints fiscal year factors which can be used to move a price paid for an item in the past to its approximate price in the current time period.

For example, if the fiscal year factors for FY 79 to FY 85 are the following:

<u>Year</u>	<u>Factor</u>
FY 85	1.00
FY 84	1.08
FY 83	1.18
FY 82	1.27
FY 81	1.36
FY 80	1.49
FY 79	1.57

....to update the price paid for an item in FY 79 so that it reflects what would be paid for the same item in FY 85, multiply by 1.57. The fiscal year factors are a convenience provided to the user, and allow any past price to be brought up to date with one multiplication.

E. Additional Publications Concerning Inflation

Among the documents available from the Inflation Focal Point, Cost Analysis Division, Comptroller, AMSTR-CCP are the following

- (1) DOD Deflator Guidelines (COA)
- (2) "The AMC Inflation Guidance Package."
- (3) "General Guidance for PRIMIR Submissions."
- (4) Handbook of Army Cost Analysis Terms
- (5) The Historical Research and Development Inflation Indices for U.S. Army Troop Support Items.
- (6) Inflation Indices, An Introduction to Basic Theory and Their Application, with Sample Problems.
- (7) Inflation and Real Growth-An Executive Primer (COA).
- (8) The Standard Army Inflation Methodology. (SAIM) AR 37-63
- (9) "The U.S. Cost Forecasting Service Review."

SECTION III

Computer Generated Inflation Indices

PPI CODES AND ASSOCIATED TROSCOM ITEMS

The following Producer Price Indexes have been associated with the corresponding TROSCOM OPA items for a considerable period of time, and have been used to estimate current prices based on past procurement prices:

<u>Producer Price Index Title and Code</u>	<u>TROOP SUPPORT COMMAND (TROSCOM) OPA Item</u>
Rubber and Plastic Products PPI Code 07	Collapsible Tanks
Heating Equipment PPI Code 10-6	Air Conditioners Heaters
Fabricated Structural Metal Products PPI Code 10-7	AVL Bridge (Not including Tanks chassis) Tanks Other Bridges
Machinery and Equipment PPI Code 11	Power Plant (MUST) Firefighting Equipment Forklift Trucks
Construction Machinery and Equipment PPI Code 11-2	Pumps Compressors
Watercraft/Small Ships Index provided to TROSCOM by US Naval Sea Systems	Watercraft
Special Industry Machinery and Equipment PPI Code 11-6	Theodolites Tape Equipment Surveying Instruments
Electrical Machinery Equipment PPI Code 11-7	Generators Light Sets Utility Elements
Railroad Equipment PPI Code 14-4	Railroad Equipment
Industrial Commodities Average PPI Codes 03 through 15	All other items Not Included in the above

TROOP SUPPORT HISTORICAL INCLINATION INDEX
ALS CODE: 07 RUBBER AND PLASTIC PRODUCTS

FY	FISCAL YR AVERAGE					FISCAL YR FACTOR						
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
85 246.60	245.10	245.90	246.70	246.40	246.50	246.60	246.40	246.10	246.30	246.60	246.50	246.05
84 244.40	243.60	243.80	244.60	246.20	246.40	247.30	247.50	247.60	247.50	247.70	248.30	246.25
83 242.20	241.70	242.20	242.90	242.30	241.80	243.00	243.20	243.10	243.40	243.70	243.20	242.72
82 237.30	236.00	238.30	237.30	233.30	240.60	241.10	242.10	242.50	242.00	242.60	242.50	240.31
81 222.80	223.40	223.30	224.80	226.40	228.40	230.60	231.60	233.40	232.10	234.10	235.70	228.91
80 203.00	204.30	205.90	207.80	210.70	212.70	214.10	215.00	217.30	218.80	220.50	222.00	212.72
79 178.10	179.40	179.70	180.80	183.20	185.90	188.80	190.80	193.10	195.50	198.90	200.70	187.90
78 170.20	170.20	170.00	170.20	171.40	172.80	173.80	174.50	174.90	175.70	176.70	172.55	1.426
77 164.60	164.80	164.70	164.60	164.20	164.60	165.70	166.30	167.50	168.90	169.30	169.50	166.22
FY	FISCAL YR AVERAGE					FISCAL YR FACTOR						
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
76 150.10	150.00	150.80	151.50	151.80	151.90	152.40	154.20	155.50	156.70	157.10	157.20	154.80
77 158.20	161.00	163.60	163.60	163.60	163.60	163.60	163.60	163.60	163.60	163.60	163.60	158.89
75 139.50	143.40	145.60	147.50	148.50	149.40	149.60	150.00	149.70	149.40	148.90	148.50	147.50
74 112.30	113.10	112.80	114.00	114.60	116.50	117.70	119.80	123.80	129.40	133.70	135.60	120.34
73 109.20	109.50	109.50	109.50	109.80	109.80	110.00	110.10	110.30	110.60	111.50	112.60	110.20
72 109.70	109.80	109.70	109.50	109.50	109.40	109.50	109.50	109.20	108.90	108.80	108.90	109.30
71 108.50	109.20	109.20	109.10	109.00	109.20	109.40	109.40	109.10	109.10	108.70	108.70	105.93
70 105.10	106.10	105.80	106.60	107.50	107.80	107.70	107.60	107.50	107.20	107.10	107.00	2.299
69 103.50	104.00	104.00	104.20	104.30	104.40	103.20	103.80	104.10	104.40	104.20	104.30	104.03
68 98.80	100.80	101.30	101.90	102.40	102.30	102.40	102.50	102.60	102.00	102.70	103.00	101.94
67 98.10	98.10	97.70	97.60	96.00	96.00	96.70	96.70	96.00	95.00	95.00	96.00	97.39

TROOP SUPPORT MISCELLANEOUS INFLATION INDEX

BLS CODE: 10-6 HEATING EQUIPMENT

FY	JCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	FISCAL YR AVERAGE		FISCAL YR FACTOR	
													JUL	AUG		
85	256.10	256.00	256.40	256.30	257.20	257.40	257.40	259.50	259.60	260.50	261.10	261.20	258.31	1.000		
86	245.30	245.50	245.70	245.70	247.30	248.10	248.50	250.30	252.40	252.70	255.20	255.50	255.70	249.16	1.032	
83	238.40	238.80	239.30	239.70	240.70	241.10	242.30	242.70	243.00	244.90	245.10	246.20	241.96	1.067		
82	229.00	228.80	229.70	233.40	233.10	235.40	236.00	237.20	238.50	238.90	239.40	239.10	234.90	1.100		
91	210.60	212.00	214.00	216.60	217.50	219.50	219.50	221.50	222.30	223.50	226.40	227.90	228.20	219.89	1.174	
80	192.20	193.10	195.60	199.50	202.60	202.60	202.60	204.20	204.00	205.00	206.20	208.00	208.40	201.81	1.279	
79	176.90	177.20	179.10	180.10	180.90	183.40	183.60	185.70	185.20	186.00	186.10	186.30	183.14	1.410		
78	168.00	168.30	169.30	171.30	170.70	171.30	172.70	173.00	173.90	174.40	176.20	176.00	172.12	1.500		
77	160.10	160.90	161.80	162.90	165.10	163.70	163.50	164.00	164.50	166.00	166.40	166.60	163.55	1.579		
FY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FISCAL YR AVERAGE		FISCAL YR FACTOR	
													JUL	AUG		
76	150.20	150.30	150.30	151.90	152.90	155.20	155.70	155.40	155.20	156.00	156.90	157.10	155.00	1.666		
77	158.50	159.30	160.10													
75	137.10	140.00	141.40	145.00	147.00	148.50	148.30	149.00	149.50	149.80	150.20	150.50	146.35	1.764		
74	120.90	120.70	120.70	120.30	121.10	121.60	122.90	123.70	124.40	127.50	130.00	132.70	123.71	2.084		
73	119.00	119.20	119.20	119.20	119.20	119.20	118.80	119.20	119.50	120.50	120.20	120.10	119.45	2.161		
72	115.30	116.80	116.70	116.30	116.50	116.30	115.90	116.20	117.00	117.90	118.10	118.60	116.85	2.210		
71	111.40	111.50	111.80	112.40	112.80	113.10	113.60	114.10	114.50	114.70	115.10	115.20	113.35	2.278		
70	105.40	105.50	105.70	106.60	107.60	107.60	107.80	107.30	108.50	109.30	109.70	110.00	107.68	2.398		
69	103.10	103.10	103.20	103.30	103.30	103.30	103.30	103.50	104.20	104.60	104.70	105.00	103.43	2.497		
68	100.00	99.50	100.10	100.50	100.50	101.00	101.00	101.00	101.30	101.80	102.30	102.30	101.15	2.543		
67	100.20	99.30	100.20	100.60	100.60	100.60	99.50	99.20	99.40	99.60	99.80	100.10	99.51	2.563		

TROOP SUPPORT HISTORICAL INFLATION INDICES
BLS CODE: 10-7 FAB. STRUCTURAL METAL PROJ.

FY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	FISCAL YR AVERAGE	FISCAL YR FACTOR
	75	313.80	312.10	313.20	313.50	313.10	314.50	314.70	314.80	314.40	315.10	315.10	314.17	1.000
84	304.20	305.30	306.00	306.50	307.00	308.30	309.30	310.60	311.20	311.70	312.30	312.10	308.70	1.017
83	305.90	305.30	304.70	303.60	302.80	303.70	302.50	302.10	302.00	302.20	303.00	304.30	303.50	1.035
82	302.60	303.20	303.00	303.40	304.00	304.50	305.20	304.90	305.30	303.90	304.30	306.40	304.22	1.032
81	276.90	278.00	279.30	281.10	285.40	289.40	293.10	294.00	295.00	297.90	299.30	300.00	289.28	1.086
80	256.30	256.70	257.70	258.90	259.70	265.10	269.10	269.30	270.10	272.20	273.00	274.10	265.23	1.104
79	231.50	232.40	233.50	238.40	240.50	241.30	243.80	247.00	248.20	250.50	252.20	253.70	242.75	1.294
78	211.80	212.20	213.30	214.50	218.30	221.40	224.70	225.10	225.80	228.10	230.10	230.80	221.39	1.419
77	197.60	198.00	198.90	199.40	200.30	201.70	203.10	204.10	204.90	207.90	210.10	211.90	203.15	1.546
FY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FISCAL YR AVERAGE	FISCAL YR FACTOR
	76	188.50	189.10	189.20	190.20	190.00	190.90	190.60	190.30	190.80	190.80	192.40	191.32	1.442
77	194.20	195.10	197.00											
75	165.30	175.10	179.90	182.00	182.50	182.90	185.40	189.40	189.90	188.40	188.80	188.60	183.10	1.715
74	127.10	127.80	128.70	129.60	130.50	131.80	135.40	136.80	140.30	144.00	151.80	158.60	136.91	2.294
73	122.20	122.50	122.70	123.00	123.10	123.30	124.40	124.70	125.00	125.70	126.90	126.90	124.18	2.529
72	118.20	119.60	120.30	120.30	120.30	120.40	121.40	122.00	122.10	122.40	122.60	122.20	120.92	2.598
71	113.00	113.30	113.70	113.80	113.80	114.20	115.20	115.70	116.60	116.80	117.30	117.30	115.10	2.729
70	106.40	106.90	107.20	107.60	107.90	108.40	108.40	109.00	110.20	111.50	111.40	112.30	108.80	2.887
69	102.20	102.80	103.00	103.30	103.30	103.60	103.70	103.80	104.00	104.70	105.10	106.00	103.79	3.026
68	99.90	100.30	100.40	100.50	100.70	100.70	100.90	101.00	101.40	101.50	101.30	102.10	100.99	3.113
67	99.00	99.00	99.10	99.30	99.50	99.60	99.50	99.50	99.50	99.80	99.80	99.70	99.64	3.159

ITEMS CODE: 11 **MACHINERY AND EQUIPMENT**

FY	FISCAL YR FACTOR											
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
85	294.80	295.30	295.60	297.00	297.60	297.80	298.10	298.40	299.10	299.40	299.30	297.67
86	287.60	288.00	288.80	289.70	290.20	291.00	292.20	292.60	293.10	294.00	294.10	291.30
83	281.10	281.30	282.40	293.30	294.30	294.70	285.40	286.00	286.20	287.40	287.90	284.82
82	265.30	270.40	272.00	274.10	275.40	276.20	277.60	278.20	279.60	279.90	280.20	275.95
81	246.80	248.30	249.80	253.30	255.30	257.50	259.60	260.70	262.10	264.80	266.20	268.10
80	220.00	221.30	223.40	227.60	230.20	232.50	236.40	237.60	239.20	241.50	242.60	244.70
79	200.50	202.70	203.80	205.10	206.50	207.90	209.80	211.40	212.40	214.80	216.00	217.70
78	185.60	186.80	187.50	189.30	190.30	191.60	192.70	193.90	195.30	196.50	197.50	198.00
77	174.00	174.50	175.40	176.70	177.50	178.20	178.90	180.00	180.70	181.80	182.80	183.80
												1.665
FY	FISCAL YR FACTOR											
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
76	161.70	162.20	163.10	164.10	165.30	165.80	167.00	167.70	168.20	168.90	169.40	170.20
77	171.00	171.40	172.90									
75	140.30	144.30	146.80	150.00	152.70	154.00	156.60	157.70	158.80	159.70	160.40	161.00
74	122.00	122.30	122.60	123.10	123.80	124.60	126.00	127.00	129.00	130.80	134.10	137.20
73	118.30	118.30	118.40	119.50	119.60	119.90	119.40	120.00	120.00	121.50	121.70	119.34
72	115.70	116.10	116.00	115.90	116.20	116.50	117.10	117.30	117.60	117.90	116.10	116.70
71	111.30	111.60	112.10	112.70	113.20	113.80	114.20	114.60	114.90	115.00	115.30	115.50
70	106.40	107.20	107.80	108.30	109.10	109.70	109.70	110.10	110.40	110.60	111.00	108.90
69	103.40	103.50	103.80	104.10	104.30	104.50	104.70	105.20	105.50	105.60	105.80	104.70
68	99.70	100.00	100.00	100.80	101.30	101.90	102.40	102.40	102.60	103.00	103.30	101.47
67	97.30	97.40	97.90	98.40	99.06	99.46	99.60	99.70	99.90	99.90	99.90	99.90

TROOP SUPPORT MISCELLANEOUS INFLATION INDICES
BLS CODE: 11-2 CONSTRUCTION MACH L EQUIP

FY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	FISCAL YR AVERAGE	FISCAL YR FACTOR
	75	357.50	357.60	357.80	362.00	362.50	361.70	361.90	362.00	362.30	362.50	362.80	361.15	1.000
84	353.60	353.90	353.60	355.20	355.90	355.30	357.50	357.80	358.10	356.30	356.50	357.20	356.02	1.014
85	347.60	347.90	348.10	348.30	349.30	349.60	350.90	352.30	352.50	352.80	352.90	353.50	350.47	1.030
86	328.30	328.60	332.00	337.00	337.50	339.20	341.50	343.50	343.90	346.10	346.50	347.50	339.41	1.064
87	299.10	300.10	301.40	305.90	310.00	312.80	317.00	318.40	320.10	323.80	325.00	326.50	313.34	1.152
88	263.90	265.40	268.80	276.00	278.30	279.50	284.20	285.90	287.60	291.50	293.40	295.70	280.85	1.285
79	240.40	242.30	243.80	245.50	247.90	249.70	251.70	253.70	254.00	257.00	258.50	259.90	250.20	1.443
78	217.20	220.80	223.00	223.50	224.80	225.70	226.40	230.30	231.10	232.40	234.60	237.30	227.43	1.507
77	202.70	204.50	205.80	207.20	209.00	208.30	210.20	211.70	212.00	213.90	215.30	216.70	219.52	1.723
FY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	FISCAL YR AVERAGE	FISCAL YR FACTOR
	76	184.90	185.40	187.50	188.60	191.20	192.50	193.30	194.40	194.70	195.00	196.40	193.50	1.066
77	199.80	200.00	200.90											
75	151.40	161.30	163.40	167.00	169.00	170.00	177.30	180.40	182.00	183.80	184.00	184.40	172.83	2.039
74	131.30	131.40	131.40	132.50	132.70	134.10	135.60	137.00	138.60	140.10	145.10	148.30	136.55	2.644
73	125.90	126.10	126.10	126.10	126.30	126.30	126.60	127.40	128.40	130.40	130.40	131.30	127.66	2.828
72	121.50	121.90	121.60	121.80	122.00	123.20	124.30	124.70	125.00	125.70	125.90	125.90	123.61	2.921
71	114.90	115.40	115.40	116.20	119.40	120.40	120.20	120.50	120.80	121.10	121.20	119.07	3.032	
70	109.90	109.90	111.00	112.30	113.00	113.70	114.00	114.10	114.30	114.70	114.80	113.00	113.00	3.196
69	105.40	105.20	106.20	107.10	107.90	108.00	108.80	109.90	109.20	109.30	109.70	107.41	3.346	
68	99.70	99.80	99.30	101.20	102.30	102.90	103.10	104.10	104.50	105.00	105.40	105.70	102.90	3.412
67	96.50	96.50	96.50	97.20	97.10	98.20	98.50	98.30	98.50	99.00	99.40	99.70	96.1.	3.481

WATERCRAFT/SMALL SHIP INDEX

		<u>LABOR</u>	<u>MAT'L</u>	<u>SMALL SHIP INDEX</u>	<u>FISCAL YEAR FACTOR</u>
1975	MAR	N/A	N/A	184.1	1.910
	JUN	188.5	182.1	185.3	
	SEP	194.5	184.0	189.3	
	DEC	193.9	186.9	190.4	
1976	MAR	198.1	191.2	194.7	1.806
	JUN	198.7	195.8	197.3	
	SEP	203.1	197.6	199.5	
	DEC	207.4	200.5	204.0	
1977	MAR	209.3	204.1	206.7	1.702
	JUN	211.8	205.8	208.8	
	SEP	215.0	211.4	213.2	
	DEC	222.1	212.7	217.4	
1978	MAR	229.9	220.2	225.1	1.562
	JUN	230.6	224.7	227.7	
	SEP	236.1	229.2	232.7	
	DEC	243.4	234.1	238.8	
1979	MAR	249.5	244.2	246.9	1.425
	JUN	248.8	248.0	248.4	
	SEP	259.7	251.9	255.8	
	DEC	263.1	258.8	261.0	
1980	MAR	274.0	268.0	271.0	1.298
	JUN	277.0	272.7	274.9	
	SEP	286.3	275.9	281.1	
	DEC	289.4	284.0	286.7	
1981	MAR	295.7	293.0	294.4	1.195
	JUN	300.0	295.9	298.0	
	SEP	314.2	303.9	309.1	
	DEC	321.8	306.2	314.0	
1982	MAR	328.0	309.5	318.8	1.103
	JUN	327.0	308.4	317.7	
	SEP	338.1	308.1	323.1	
	DEC	346.5	307.7	327.1	
1983	MAR	350.2	312.5	331.4	1.061
	JUN	348.5	312.8	330.7	
	SEP	354.0	316.3	335.2	
	DEC	364.9	318.4	341.7	
1984	MAR	364.6	322.1	343.3	1.025
	JUN	361.1	323.6	342.4	
	SEP	364.3	324.9	344.6	
	DEC	369.5	325.2	347.4	
1985	MAR	376.4	327.0	351.7	1.000
	JUN	375.2	326.5	350.9	
	SEP	376.0	326.9	351.5	

CY 1967 = 100.0 For Material
 FY 1962 = 100.0 For Labor
 Small Ship Index is 50% Labor/50% Mat'l

Source: U. S. Naval Sea Systems, Cost Analysis Branch.

STRATEGIC SUPPORT MIGRATIONAL INFLATION INDICES

Fiscal Yr Factor	Fiscal Yr Factor											
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
85	351.50	351.80	352.40	355.70	357.10	357.60	358.40	358.90	359.70	360.60	361.20	361.70
86	340.60	341.00	342.00	343.20	344.60	346.80	348.20	348.60	351.30	352.80	351.10	346.06
87	327.80	329.10	329.90	331.80	332.60	333.60	334.50	335.80	336.70	338.00	339.00	339.80
88	314.60	315.00	316.40	320.40	320.70	321.30	322.90	323.90	325.00	327.10	326.70	326.30
89	286.00	287.70	290.90	295.60	299.20	301.00	303.20	307.20	308.80	311.00	310.30	312.80
90	253.80	254.30	256.10	260.60	263.20	265.50	271.90	273.00	274.30	276.70	277.10	283.00
91	230.20	232.80	233.90	236.20	237.00	239.10	243.40	245.10	246.10	249.80	251.00	251.20
92	209.50	209.90	211.60	213.50	214.40	216.40	218.20	219.00	222.00	223.30	225.10	227.00
93	191.80	192.00	193.00	195.40	196.40	197.20	199.10	200.70	201.90	202.80	203.80	204.10
Fiscal Yr Factor	Fiscal Yr Factor											
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
76	175.40	176.40	176.50	177.70	179.60	181.10	183.20	183.70	184.60	186.10	186.70	188.30
77	190.00	190.40	190.90									
78	150.30	156.10	158.70	162.00	163.90	165.90	168.50	169.60	172.50	173.30	173.40	174.30
79	130.20	131.70	132.60	132.90	133.30	134.90	136.00	138.20	141.90	143.40	147.00	148.90
80	123.90	124.00	124.30	124.50	124.60	124.90	126.50	127.00	128.50	129.00	130.00	125.93
81	121.60	121.60	121.70	122.00	122.00	122.10	122.60	123.10	123.60	123.40	123.70	122.57
82	115.70	115.90	116.40	117.50	117.40	118.30	119.30	119.40	119.60	119.70	120.40	120.90
83	110.40	110.50	110.80	111.30	111.70	113.50	114.10	114.20	114.30	114.50	114.80	115.00
84	105.70	105.70	106.00	106.30	106.37	106.90	107.40	108.30	108.60	109.30	109.50	107.45
85	99.70	100.10	100.10	101.30	101.40	102.00	103.10	103.30	103.40	104.60	105.10	105.20
86	96.10	96.70	97.00	97.63	97.90	97.90	98.10	98.10	98.10	98.30	98.70	98.70

TRUOP SUPPORT HISTORICAL INFLATION INCIDENCE CODE: 11-7 ELECTRICAL MACHINERY & EQUIPMENT

FISCAL YR													
FISCAL YR						FISCAL YR							
FY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	S-P	YR AVERAGE
85	250.80	251.50	291.70	293.00	253.70	253.70	253.60	253.80	253.30	253.50	253.90	252.97	1.000
84	242.80	243.80	244.70	245.70	246.70	247.70	248.10	249.10	249.40	249.50	246.65	1.025	
83	232.60	233.70	234.20	235.20	237.20	137.50	238.40	238.50	238.60	241.70	242.90	237.70	1.064
82	225.30	226.00	227.00	228.70	229.50	230.30	231.70	231.30	231.60	231.80	231.70	229.70	1.101
81	207.50	208.90	211.90	213.70	216.00	217.40	217.50	219.20	221.10	222.80	224.20	215.60	1.173
80	194.30	184.90	186.60	190.60	194.30	194.50	198.30	199.30	201.60	203.70	205.00	196.02	1.290
79	167.50	169.40	170.50	171.20	172.80	173.80	175.00	176.50	177.60	179.90	181.20	182.50	174.84
78	157.30	157.90	158.00	160.00	161.80	162.70	163.40	164.60	165.40	165.80	166.40	162.00	1.561
77	149.20	149.50	150.90	150.80	151.40	151.90	152.00	152.70	153.00	154.10	154.60	155.70	1.463
FISCAL YR													
FY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YR AVERAGE
76	140.00	140.90	141.80	142.30	143.10	143.10	144.00	144.40	144.90	145.00	145.40	144.00	1.756
77	145.00	146.30	148.50	148.50	149.50	149.50	150.50	150.50	150.50	150.50	150.50	150.50	1.756
75	126.30	128.50	130.40	132.40	135.40	136.50	138.10	138.70	139.10	139.50	140.10	140.40	1.967
74	112.70	112.80	113.00	113.30	114.00	114.10	115.10	115.70	116.90	118.30	120.60	123.40	1.186
73	110.70	110.60	110.60	110.50	110.60	110.60	110.90	111.00	111.30	111.70	112.30	112.70	1.276
72	109.50	109.90	109.70	109.60	109.30	109.30	109.50	110.00	110.10	110.20	110.50	110.60	1.302
71	106.70	106.90	107.40	107.50	107.90	108.20	108.80	109.30	109.70	109.50	109.40	108.39	2.333
70	102.80	102.80	103.50	103.70	104.20	104.50	104.90	104.60	105.10	105.40	105.50	106.20	104.43
69	101.10	101.30	101.60	101.70	101.90	101.70	101.70	102.30	102.40	102.60	102.80	101.45	2.481
68	100.00	99.80	99.70	99.60	99.70	100.80	100.80	101.00	101.00	101.10	101.10	100.43	2.518
67	97.20	97.30	97.40	97.70	98.30	99.70	100.00	100.00	100.10	100.10	100.00	100.00	99.14

TROOP SUPPORT MATERIEL INFLATION INDICES

SIC CODE: 14-4 AIRCRAFT EQUIPMENT

FY	FISCAL YR FACTOR											FISCAL YR AVERAGE
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	
85 358.80	358.90	358.90	355.90	361.50	372.70	362.50	362.60	362.70	364.60	366.60	361.75	1.000
84 348.60	348.60	350.50	351.50	351.20	352.00	354.30	354.40	354.40	356.50	357.70	353.13	1.024
83 350.80	350.80	350.80	350.80	350.50	350.30	350.00	350.40	350.10	351.30	351.00	350.70	1.031
82 348.70	341.30	340.10	345.80	345.60	346.30	343.20	342.60	342.80	342.60	347.70	348.00	1.052
81 323.90	323.60	323.90	332.50	333.90	332.50	335.70	331.20	331.40	338.10	338.70	331.95	1.089
80 286.30	288.20	289.00	297.50	299.30	302.10	309.20	310.50	312.20	316.40	318.00	320.00	1.189
79 260.30	261.50	261.80	262.40	268.00	268.90	271.10	271.60	274.70	290.60	290.90	281.60	1.336
78 238.70	238.70	239.70	243.70	244.60	244.60	250.20	250.90	251.00	253.80	254.20	256.60	1.463
77 222.80	222.80	223.30	227.90	227.30	230.00	231.10	231.10	232.00	234.20	235.20	229.45	1.576
FY	FISCAL YR FACTOR											FISCAL YR AVERAGE
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	
76 201.30	201.50	202.40	204.70	206.90	207.80	209.10	211.90	213.80	213.90	215.60	210.46	1.718
77 216.90	218.90	219.10										
75 166.20	174.50	178.00	181.00	183.90	187.80	196.30	197.10	198.10	198.20	199.50	199.20	1.919
74 134.80	135.20	136.10	136.20	136.70	138.60	140.20	141.00	144.70	148.50	153.70	163.70	2.539
73 130.20	130.20	130.20	130.20	130.20	131.10	131.80	132.20	132.70	133.40	134.30	131.77	2.745
72 121.50	122.80	122.50	122.50	122.50	122.60	123.70	123.90	127.30	128.40	129.60	124.74	2.899
71 115.10	115.10	115.30	116.00	116.10	116.70	119.00	119.00	119.90	120.40	120.40	117.77	3.071
70 110.50	110.70	110.70	111.50	111.50	112.00	113.40	113.70	114.50	114.70	115.10	112.75	3.208
69 103.40	103.60	103.60	104.90	104.90	104.90	104.90	104.90	106.60	107.40	108.10	104.31	3.434
68 99.50	99.30	99.50	101.10	101.40	101.40	101.90	101.90	101.90	101.90	101.90	101.15	3.515
67 97.50	97.50	97.50	97.50	97.50	97.50	97.50	97.50	97.50	97.50	97.50	97.50	1.667

GROUP SUPPORT HISTORICAL INFLATION INDEX
BLS CODE: 03-15 INDUSTRIAL COMMUNICATIONS

FY	FISCAL YR VR AVERAGE											FISCAL YR FACTOR	
	JCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	
85	323.40	323.80	323.00	322.90	322.20	322.50	323.80	325.30	325.20	324.30	323.60	322.50	323.54
84	318.50	318.30	318.40	319.10	320.50	321.90	322.60	323.20	323.80	323.30	323.30	322.20	321.31
83	314.30	315.00	315.20	313.90	313.90	313.50	312.40	313.60	315.30	316.50	317.30	317.10	314.83
82	309.00	309.30	310.00	311.80	311.60	311.00	305.50	305.50	309.60	310.60	312.80	313.20	312.70
81	282.00	283.40	285.60	291.50	295.70	299.60	303.50	304.70	305.10	306.20	307.20	307.40	297.74
80	249.00	250.60	253.10	260.60	265.90	268.60	271.30	271.90	273.50	276.20	278.20	278.80	266.47
79	214.70	216.00	217.20	220.00	222.50	225.40	229.00	231.60	234.00	237.50	240.60	244.20	227.72
78	199.10	199.30	200.00	201.60	202.90	204.10	206.10	207.40	208.70	210.10	211.40	212.50	205.26
77	186.30	187.10	187.40	188.40	189.00	191.70	193.30	194.20	194.70	195.90	196.90	197.80	191.89
FY	FISCAL YR VR AVERAGE											FISCAL YR FACTOR	
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
76	171.20	172.20	173.10	174.70	175.40	176.10	177.30	178.10	179.10	180.00	180.40	181.30	177.98
77	182.60	183.60	184.70										1.917
75	157.80	161.60	162.90	164.80	165.80	166.10	167.50	168.40	169.90	169.70	170.30	170.70	166.20
74	126.10	126.70	127.40	128.50	130.10	132.20	135.30	138.20	142.40	146.60	150.50	153.60	136.46
73	118.10	118.50	118.70	118.80	119.10	119.40	120.00	121.30	122.80	124.20	125.30	126.00	121.01
72	114.50	115.10	115.00	115.00	114.90	115.30	116.50	116.80	117.30	117.60	117.40	117.40	115.35
71	110.10	110.20	110.40	111.20	111.30	111.70	112.20	112.50	112.80	113.30	113.70	113.90	111.94
70	105.70	106.10	106.50	107.10	107.40	107.90	108.30	108.60	108.80	109.30	109.60	109.90	107.32
69	102.40	102.50	102.80	103.30	103.40	103.80	104.30	104.90	105.40	105.50	105.50	105.50	104.11
68	99.70	100.00	100.20	100.50	100.80	101.10	101.50	101.80	102.00	102.40	102.50	102.40	101.22
67	99.00	99.00	99.00	99.10	99.10	99.10	99.10	99.10	99.10	99.10	99.10	99.10	99.56

END

DTIC

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